

EXHIBIT NO. 2  
DATE 1-25-11  
BILL NO. SB 29

## \*\*\*\* SCHEDULED HEARING \*\*\*\*

BILL NO: SB29

SPONSOR: Lynda Moss

SHORT TITLE: Mandatory alcohol server and sales training

COMMITTEE: Senate Business, Labor, and Economic Affairs

DATE: January 25, 2011

ROOM: 422

TIME: 9:00 AM

Mr. Chairman, Committee Members, Senator Moss:

My name is Bryan Sandrock, and I represent four liquor license owners and their establishments in Helena and one liquor license owner in Kalispell. These businesses are 4J's Casino, Loose Caboose Casino, Drae's Station Casino, Sunset Casino, and in Kalispell, Lucky One Casino which license is currently in non-use.

Before entering the bar-casino business in 2007, I enjoyed seventeen informative and educational years in the armored car business; I was responsible for directly training and/or oversight of the training for some 300 armed guards in 10 different states. It is fair to say that training has been a regular part of my life for over 20 years. When it comes to believing in the importance and value of training, I get it.

On behalf of those I represent, we rise in support of SB 29. But, we do so with some concern and appreciate the committee allowing us to address these concerns today.

First, for our fellow Montanan's who believe that government need not intervene in every single matter of private enterprise, we agree. However, there are times when government must step forward in a reasonable manner to protect the public, and even to protect an entire industry. If the statistics and carnage resulting from sales to underage minors or driving under the influence are not greatly reduced, and in a hurry, the alcohol service industry could once again become the target of prohibition supporters despite the reasonable efforts of responsible license owners. This is an unacceptable proposition and so, to ensure the

preservation of our industry and our respective businesses, we come before you today.

No ... we do not need legislation to require responsible license owners to ensure that management and employees receive prudent levels of employee sales and service training. This legislation is not targeting license owners who already meet their obligation to properly train; this legislation is targeting license owners who do not yet understand or maybe even believe that they have a responsibility to ensure that management and employees are trained in a manner that will minimize the risk to the public from license owners or their employees selling alcohol to minors and/or over-serving patrons.

Our collective businesses now have policies that require all management and employees undergo formal alcohol sales & service training prior to employment, with formal re-certification training provided annually; a training program that is far above that contemplated in this proposed legislation. We do this because we wish to minimize risk to the public from the careless and/or negligent acts of our business and employees; and we do this because we wish to minimize the business and personal risk associated with license ownership. Yes ... we believe that a formal mandatory training program is the responsible way to conduct business.

Strangely, what we believe does not necessarily ring true with all license owners. Be it a matter of short-term cost containment, ignorance of the law, disdain for the process, belief that their individual training method is working, or some other reason there are license owners out there whose management and employees are seldom, if-ever, trained by anything other than the school of hard knocks (a/k/a on the job training).

On the job training is a great teacher, but historically works best in environments with acceptable mistakes; in the alcohol service industry some mistakes can be fatal and therefore are not acceptable. It is very important to understand that most, if not all, mistakes in the alcohol service business could be avoided with proper initial training, regular reinforcement of proven alcohol service concepts, and proper recurrent training.

Listening to our testimony, it may be obvious that we are strong supporters of the proposed legislation. Yes, we support SB29 but, to repeat, we support SB29 with some concerns; and they are:

The proposed legislation should not only require supervisors and employees be trained; it should require that any member of management, all employees, and, every bit as important, the license owner be trained pre-hire and thereafter annually.

The proposed legislation does not need to re-invent the wheel; there are well-known programs out there already that provide quality alcohol sales and service training directly on the focus of this legislation. These programs provide for on-line training over the internet, and while we believe online training is not as effective as live classroom training, the online training would definitely be a good place to start pre-hire with live classroom training required within 60-days of hire and then annually thereafter.

The proposed legislation requires licensees to "submit a training plan". Again, go with what is proven and with what works. Use the national programs as the training plan. But, if this proposed legislation must have its own "training plan" allow the Department to create the plan with the assistance of the industry, and require the plan be followed by everyone. Otherwise, the Department will be over-burdened with approval of individual plans which require more FTE and ultimately create a situation where discriminatory or subjective approvals could be given.

Should the Department move forward with creating their own training plan, then we suggest a heavier emphasis be placed on the training program using well-qualified instructors. Some training is better than no training; no training is better than bad training; and rushed training which brushes over important topics for the sake of expediency shows the student a complacent program attitude which may then lead the student to a conclusion where cutting corners for the sake of expediency is okay. This is the worst kind of training. A proper training program should allow adequate time to teach a class on all subjects, with ample discussion time. The current RAST class offered by the Department can be "lectured" (liberal use of the term) in 3 hours or less. Teaching and most importantly, retention, requires interaction in an environment conducive to learning. The license owners in our group have personally attended several National Alcohol Sales & Service training programs, and we have attended RAST training four years ago and as recent as one week ago. Compiling the information from all these different training courses, and allowing minimal

time for class breaks, we believe that the target class length should be five hours which will allow ample time for the instructors to engage the students with significant and meaningful discussion on all training topics.

When it comes to a penalty system, let's develop a system that is specifically designed to get the license owner's full compliance. Don't impose token \$50 penalties, instead link the penalty to the same discipline that the license owner and server will receive if found in violation of the very rules that this proposed legislation is attempting to target. Those penalties are found in 42.13.101 of the Administrative Rules of Montana.

Finally, to demonstrate to the license owners a reasonableness of policy, let's revise 42.13.101 ARM to place more responsibility on the server's who are carelessly and/or negligently selling to minors or over-serving patrons to unlawful levels. When license owners ensure that they are using only properly trained employees, the license owners should be given more leniency by the regulatory body unless it is determined that the license owners daily operating practices clearly work in violation of proper alcohol sales and service policies.

So, there you have it. We support the concept of SB 29, but we sincerely hope that the Executive Committee will consider our thoughts and propose amendments which will more thoroughly address the intent of the proposed legislation, while also providing some added protection to the license owners for proper training programs.

We wish you the wisdom necessary to strike the balance needed to produce an end product legislation that can be fully supported by all concerned. And, we thank you for this opportunity to speak on this most important issue.

**END**